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LACHINE,

(MEMORANDUM.)

THE PROPOSED CONTRACT FOR BUILDING AND OPERATING

THE

CANADIAN PACIFIC RAILWAY.

Many Conservatives, though favoring the construction and operation of the Canadian Pacific Railway by the Syndicate, are strongly of opinion that the "Resolutions" require modifications, securing to the Government, on equitable terms, an option for the abrogation of certain clauses which, in the near future, might bring into collision the most vital interests of the country with the pretensions of a wealthy and monopolizing Corporation.

Granting that in the Syndicate, are fair, high-minded gentlemen, who can tell what manner of men their successors will be? Hereafter, may not undue advantage be taken of the special privileges? Even as at present constituted, at its behest, we have seen a strong Government endeavour to force Parliament to capitulate before the Christmas recess, allowing but a bare fortnight for discussion. Seeing such an exhibition of strength at its birth, people may well dread the influence it will exert after a few years' exercise of almost absolute sway over vast regions and with the accumulated wealth of the Fertile Belt in its coffers. No ministry or party will then be able to resist its overshadowing power.

Section 10 of the contract forbodes danger even to that system which has done so much for the prosperity of the country—the

NATIONAL POLICY.

LACHINE, Jan. 3rd, 1881.

Sir Charles Tupper in his speech in the House of Commons, 15th April,
the cost (with a suitable equipment) of the line now propos
"*an outside one and above the pr*

Lake Nipissing to Fort William	600 miles	$20,000,000
Selkirk to Jasper Valley	1000 "	13,000,000
Jasper Valley to Kamloops	335 "	15,500,000
	1935	$48,500,000
For constructing the above 1935 miles the Syndicate are to receive in Cash		25,000,000
Leaving a Balance of		$23,500,000

For the above Balance $23,500,000, and for operating the Canadian Pacific Railway, the Syndicate get:

A—The proprietorship of the whole Canadian Pacific Railway from Lake Nipissing to Port Moody, 2556 miles (See Section 7 of Contract).

B—25,000,000 acres of land (Section 11).
Selected, I, from alternate Sections along main line.
" II, from alternate Sections along branches.
" III, any tracts of land in Fertile Belt belonging to Government.

C—All the Government land they may claim hereafter for convenient and effectual working of Railway (Section 10).

D—Exemption from duty on rails and fastenings, bridge and telegraph materials (Section 10).

E—Uncontrollable right to build railways anywhere in North-West (Section 14).

F—For 20 years Government shall not charter any railroad South of Canadian Pacific Railway, except such road shall run South-West or to the Westward of South-West, *nor within 15 miles of United States frontier* (Section 15).

G—The Canadian Pacific Railway, property and capital to be free from Dominion, Provincial and Municipal Taxation for ever (Section 16).

H—Syndicate or Railway lands to be free from Dominion, Provincial and Municipal Taxation for ~~25~~ 20 years (Section 16).

I—The "approximate Standard" of quality and character of railway and material to be the Union Pacific Railway when constructed in 1868 (Since altered to same Road when completed in 1873).

mons, 15th April, 1880, said that the following estimate, by Mr. Fleming of
ne line now proposed to be built by the Syndicate was, he believed,
e and above the probable outlay."

	REMARKS.	MODIFICATIONS (SUGGESTED.)
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		B—III. The tracts of land in Fertile Belt should also alternate with Government lots.
		C—Subject to approval of Government.
	D—It has been said that the Government is only granting the same privilege the Railway Department now exercises of importing stores and materials free of duty. No valid reason can be given for such exemption even in the case of Government Railways. The country loses nothing by the exaction of duties, for what the Railway Department pays, the Customs Department receives. No comparison can be made of cost of operating Government and other Roads, if the former are exempt from customs duties.	D—Government on payment of $ to be settled by arbitration, may abrogate this clause.
		E—A new Charter should be obtained in every case.
	F—For 20 years the Government virtually closes all communication between Canada, west of Lake Superior, and the North Western States except by way of St. Paul, Minneapolis and Manitoba Railway, or roads controlled by that Company.	F—Government may abrogate this clause on payment of $ with deduction for expired time, to be settled by arbitration.
	G—Not fair to other Railways and Settlers in North-West.	G—Government may abrogate this clause on payment of $
	H—Having settled some of their lands the Company might hold neighbouring lots on speculation, thus obliging settlers on Government lands and others to pay all the taxes.	H—Government may abrogate this clause on payment of $ with deduction for expired time.
	I—Sandford Fleming in his report for 1880, page 12, says: "of the four lines stretching "across the continent, within the limits of the United States, no one is marked "by general summits so low or gradients so moderate as the line to Burrard "Inlet" (*i.e.*, The Canadian Pacific Railway). He might have added that between the same longitudes no one was marked by general summits so high or gradients so steep as the standard here adopted, viz., the Union Pacific Railway, see plate No. 3 same report.	I—Maximum grades, minimum radius for curves, and weight of rail should be specified.